Page 1 of 4

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Suzanne Henderson

PGS 4

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Submitter: SIMPLIFILE



HARDING COMPANY 13465 Midway Road, Suite 400 Dallas, Texas 75244

Submitter: HARDING COMPANY

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

ELECTRONICALLY RECORDED BY SIMPLIFILE

Abbott, Oran et ux Patricia

By: ______

5736. PET

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BEGAUSE OF COLOR OF RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW. NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) - Paid-Up With 640 Acres Proling Provi

PNum:5738.PET

PAID-UP OIL & GAS LEASE

(No Surface Use)

THIS LEASE AGREEMENT IS made this 0 day of 0 day

In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

See attached Exhibit 'A' for Land Description

in the County of Tarrant, State of TEXAS, containing 0.2817 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shul-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- 3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be <u>Twenty Five-Percent (25%)</u> of such production, to be delivered at Lessee's option to Lessor at the wellhead or to Lessor's credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity. (b) for gas (including casinghead gas) and all other substances covered hereby, the royalty shall be <u>Twenty Five-Percent</u> (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs. (25%) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production therefrom is not being sold by Lessee, such well or wells are shut-in or production therefrom is not being sold by Lessee, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production therefrom is not being sold by Lessee; provided that if this lease is otherwise being maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease.

 A All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at Lessor's address above or its suc
- 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at Lessor's address above or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said land. All payments or tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive
- sets address known to Lessee shall constitute proper payment. If the depository should liquidate or be succeeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments.

 5. Except as provided for in Paragraph 3 above, if Lessee drills a well which is incapable of producing in paying quantities, thereinafter called "dry hole") on the lessed premises or tands pooled therewith, or if all production (whether or not in paying quantities) permanently cases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lesses is not otherwise being mannenences operations for reworking an existing well or for diffusing and additional vell or for otherwise obtaining or restoring production on the lesseed premises or lands pooled therewith within 90 days after completion of operations reasonably calculated to obtain or restore production thereform, this lesses shall remain in force so long as any one or more of such operations are prosecuted with operations reasonably calculated to obtain or restore production thereform, this lesses shall remain in force so long as any one or more of such operations are prosecuted with operations reasonably calculated to obtain or restore production thereform, this lesses shall remain in force so long as any one or more of such operations are prosecuted with operations reasonably one of the payment of the payme
 - 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royaltles and shut-in royaltles payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral
 - estate in such part of the leased premises.

 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall be binding on Lessee and the satisfaction of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days ownership shall be binding on Lessee and the decadent or decadents establishing such change of ownership that is a satisfaction of Lessee may pay or tender such shuf-in royalties to the credit of shuf-in royalties to such persons or to their credit in the depository, either jointly or persons are entitled to shuf-in royalties hereunder, Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository, either jointly or persons are entitled to shuf-in royalties hereunder. Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository, either jointly or persons are entitled to shuf-in royalties to the credit of the transferred interest shall not affect the rights of arising with respect to the transferred interest shall not affect the rights of arising with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligat
 - Pay or remover smarth royalities mereunider shall be divided interest in less than all of the area covered by this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder. initials Oda Daa

- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased gremises or other lands used by Lessee hereunder, without Lessor's consent and I assee shall pay for damane caused by its pregrations to buildings barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasons
- 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of lifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend little conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- 16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.
 - 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other leasons/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

Name:	Oran Ira Abbott	Name:	Patricia A. Abbott
Sign/By:	Oran Sra abbots	Sign/By:	Patricia a. abbett
Title:	Lessor	Title:	Lessor
ACKNOWLEDGEMENT			
STATE OF	Toxas F Tarrant	_ ,	
This ins	RICKY S. HENRY Notary Public, State of Texas My Commission Expires August 18, 2014	Notary Pu Notary's r	of August, 2010 by Oran Ira Abbott ablic, State of Texas name (printed): commission expires: August 18, 2014
STATE OF COUNTY O This ins	RICKY S. HENRY Notary Public, State of Texas My Commission Expires August 18, 2014	Notary Pu	name (printed): commission expires: Ablo by Patricia A. Abbott Abbo
RECORDING INFORMATION			
STATE OF COUNTY O This in Book	ofstrument was filed for record on the Page	day of, of the _	., at o'clock M., and duly recorded in records of this office.
5736 OPET		by	Clerk (or Deputy))

Initials of a, fac Page 2 of 3

Page 4 of 4

EXHIBIT "A"

Attached to and made a part of that certain Paid Up Oil and Gas Lease dated <u>OS|Q|\Q0\0</u>, by and between, Chesapeake Exploration, LLC, an Oklahoma limited liability company, as Lessee., and <u>Oran Ira Abbott and Patricia A. Abbott, husband and wife</u>, as Lessor.

From time to time Lessee may determine that some part or all of the Leased Premises should be more specifically described, in which case Lessor agrees to execut any substitute Lease(s) or correction to Lease(s) tendered by Lessee for such re-description.

0.2817 acre(s) of land, more or less, being 1.ot 3, Block 12, Meadowview Estates, an addition to the City of North Richland Hills, Tarrant County, Texas and being further described in that certain Instrument dated 01/01/2003 as Volume/Page or Instrument No. D204138797 of the Official Records of Tarrant County, Texas.

P25650:012.003

SIGNED FOR IDENTIFICATION ONLY:

Oran Ira Abbott

Patricia A. Abbott